

Rear Admiral Hon. J.V. Bainimarama, CF (Mil), OSt.J, MSD, jssc, psc

**Prime Minister of Fiji and Minister for iTaukei Affairs and Sugar Industry**

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**KEYNOTE ADDRESS AT THE FIJI-AUSTRALIA, AUSTRALIA-FIJI BUSINESS COUNCIL FORUM**

**Grand Pacific Hotel Fri: 31 Oct .,2014**

**SUVA 0830 Hours**

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**Honourable Ministers,**

**Your Excellencies, Members of the Diplomatic Corps,**

**Presidents of the Respective Business Councils,**

**Patrons and Committee Members,**

**Distinguished Guests,**

**Ladies and Gentlemen.**

Bula Vinaka and a very good morning to you all.

I’m delighted to be here today to launch this year’s joint Fiji-Australia, Australia-Fiji Business Council Forum. And to greet those of you in the engine room of Fiji’s most important trading relationship.

It’s remarkable to think how much has happened since I last spoke at this Forum back in 2008. Since then, Fiji has undergone a radical social, political and economic transformation.

We have produced a new Constitution – which creates a common and equal citizenry and guarantees a broad range of socio-economic rights; we have established the first genuine democracy in Fiji’s history; we have introduced unprecedented levels of accountability and transparency; and we have sparked one of the longest periods of sustained economic growth since Independence.

Earlier this month, the nation watched as the members of Parliament were sworn in, officially launching our new democracy and signalling a new era of unity and prosperity for all of our people. This momentous occasion followed a general election based – for the first time – on the genuine democratic principle of equal votes of equal value.

That election – and the credible manner in which it was conducted, reaffirmed by a 17-nation Multinational Observer Group co-led by Australia – has already reverberated around the region and around the world. There’s been a chorus of support for Fiji from the international community, regional and multilateral organisations, the business community and potential investors.

As I speak, Julie Bishop is on her way to Suva to discuss the next chapter in Fiji and Australia’s relationship and I look forward to further advancing the significant progress that has already been made.

But what I want to talk to you about this morning is the impact that Fiji’s return to parliamentary rule is having on investment and trade in our country. The message is simple: Fiji is open for business. And there are great opportunities for those with the enterprise and foresight to take advantage of this new era of prosperity.

In fact, this past Friday, for the first time in Fiji’s history, Cabinet met with all of Fiji’s development partners to highlight Government’s top priorities for the next 4 to 5 years and point out areas where partnerships would be most useful. The meeting was also attended by representatives from the United Nations’ agencies, the European Union, the International Monetary Fund and the Asian Development Bank. They all had the chance to meet with Ministers face-to-face and begin to consider opportunities for future partnership in a co-ordinated and streamlined manner.

So now is the time for those who have been holding back to invest in the country – to join those already riding the wave. Now is the time to reap the rewards of a vastly better investment climate and to take advantage of the Government’s generous investment incentives.

There is so much working to our advantage: our central position as a hub in the Pacific; a talented workforce destined to become smarter because of the Government’s investment in education; the reforms we have made – and will continue to make – to modernise and streamline our economy ; and now, our successful transition to genuine Parliamentary democracy.

So I urge you all to join the ranks of the savvy investors who are already taking advantage of what we consider to be the best investment climate in Fiji’s history. The buzz of development is already being heard around the country, led by those who were attracted to Fiji because of my Government’s determination to install consistent and pro-growth policies. The boom has already begun and investors should be careful not to miss out.

There’s no better symbol of Fiji’s rebirth than the GPH, where we’re gathered today. Now restored to its former glory and more, this magnificent new complex has sprung from what was a rat infested ruin just a few short years ago. Along with our refurbished Parliament across the road – which I urge you to visit – it is a centerpiece of the revived fortunes of our capital and of our nation. We have drawn a line under the years of upheaval, division and neglect and everywhere in Fiji, there’s a new mood of confidence and excitement.

We are now experiencing growth rates that would be the envy of the region and the world. Fiji has recorded an average economic growth of approximately 3.2 per cent over the last five years and, last year alone, our economy grew by an impressive 4.6. per cent. In 2014 we’re looking at another year of growth upwards of 3.8 per cent and in the years to come, I’m confident Fiji is positioned for even better economic performance. Because far from resting on our laurels, we intend to extend our reform program to new areas, including a major revamp of the Civil Service to make it more efficient and responsive.

Aside from Government investment, the private sector is also driving economic growth, with private sector investment reaching 15 per cent of GDP this year, up from 13 per cent in 2013. Only twice in Fiji’s history since Independence has private sector investment exceeded 13 per cent. So we are on a roll which we are determined to continue.

Investors are responding positively to our low corporate and individual tax rates; the elimination of tariffs on a wide range of goods and materials; and the creation of a number of tax free zones across the country, to name a few initiatives.

A total of 226 Australian projects worth more than $1-billion were registered in Fiji over the past six years and the 99 implemented during that same time have created more than 1,000 jobs.

But I’m convinced that this is just the beginning. Fiji is the ideal destination for manufacturing and agro-based businesses that we are looking to grow and expand. And investors could also consider outsourcing parts of their production, business and back-end processes to Fiji.

The bottom line is that opportunities exist across a broad range of sectors and our doors are open.

There are now even more new opportunities given that my Government is making more state land available for investment and with up to 99 year leases. Indeed we have also put in policies and incentives to encourage the iTaukei or indigenous landowners to make more land available with security of tenure for productive use for their benefit and for investment.

Of course, it’s not just the new investment opportunities to be excited about. There remains a significant amount of untapped potential in our traditional areas of trade.

While it’s true that we have had a long history of trade with Australia and Australia remains one of Fiji’s top export destinations, it’s also true that the total trade with Australia has reduced in recent years, which for us has been made up for by new trading relationships with countries like Malaysia, Indonesia and China.

Even before this recent slump, though, for decades the trade balance has been grossly slanted – we import far more from Australia than we export to her. The vast majority of Fijian exports to Australia are of garments and gold, which if discounted, put our exports to Australia on par with our exports to New Zealand, which has an economy seven times smaller than Australia.

We believe that Australia can change this imbalance by providing Fiji with better market access. There are huge opportunities for Fijian businesses in the Australian marketplace that could produce gains for both the nations. I can assure you that my Government is putting every effort into brokering arrangements with our counterparts to make these opportunities a reality.

At the moment, two of our top priorities are for more Australian assistance to help our exporters meet the stringent quarantine and technical requirements, as well as for an extension of the SPARTECA TCF Scheme that includes an improvement of the rules of trade.

As I’m sure most of you are aware, SPARTECA TCF Scheme is due to expire at the end of the year and it is critical that it be extended beyond this date. The agreement is essential to Fiji’s economic development and growth. The garment and footwear industry is a major contributor to the Fijian economy, generating around $100-million in exports.

Ladies and Gentlemen,

Before I conclude my remarks today, I would also like to take this opportunity to discuss an issue that I know is on many of your minds: PACER Plus.

Now that we have resumed our place in the PACER Plus negotiations, we are determined to secure an agreement that takes into account the current trade imbalance and is beneficial to all parties.

We believe firmly that the PACER Plus Agreement is more than just a trade agreement; it is an agreement that should foster development in the region and bring us closer together in economic union. We have always supported the idea of closer regional integration when it comes to the movement of goods, services, labour and capital and we want this agreement to reflect that spirit.

We look forward to continuing the negotiations in a positive spirit to agree to terms that launch the entire region into a new age of prosperity and opportunity.

The Ministry of Industry and Trade will further articulate Fiji’s position on this issue – and on other matters like SPARTECA – with the relevant Australian Ministries and agencies.

Ladies and Gentlemen,

My presence here today and that of the Australian Foreign Minister tomorrow is a clear sign of the importance both our nations attach to this Forum and the overall relationship. We have had some interesting times at an inter-Government level, but that is behind us now.

At no stage has the personal relationship between Australians and Fijians been affected and that in itself, is a cause for great celebration.

To those of you who are visitors, a big *bula vinaka* to you once again and a very warm welcome to Fiji. I wish you all a productive gathering over the next two days. And it’s now my pleasure to officially declare the joint Fiji-Australia, Australia-Fiji Business Council Forum open.

Vinaka vakalevu. Thank you.

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